

Message Text

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ACTION EB-08

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E.O. 11652: N/A

TAGS: BEXP, ESTC, UR

SUBJECT: SOVIET INTEREST IN IBM 370/48 COMPUTERS

REF MOSCOW 19513 (NOTAL)

EXCON

1. SUMMARY: IBM OFFICIAL ADVISED MARCH 25 THAT SOVIET GOVERNMENT HAS DECIDED TO PURCHASE TWO IBM 370/48 COMPUTER SYSTEMS VALUED AT \$15.9 MILLION FOR USE OF SOVIET OLYMPIC COMMITTEE ON CONDITION COMPANY "GUARANTEE" USG EXPORT LICENSE WILL BE FORTHCOMING. ULTIMATE END-USER OF COMPUTERS WILL BE MOSCOW CITY COUNCIL. OFFICIAL STATED THAT FRENCH DEPUTY MINISTER WAS RECEIVED BY HIGH LEVEL SOVIET COMMITTEE AND ACCORDING TO SOVIETS, PROVIDED "GUARANTEE" THAT FRENCH WOULD LICENSE SALE OF HONEYWELL-BULL COMPUTER TO USSR.

2. IBM RESIDENT MANAGER MERRILL INFORMED E/C COUNSELOR MARCH 25 THAT

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IBM REPRESENTATIVES HAD MET ON MARCH 24 WITH HIGH RANKING SOVIET AD HOC COMMITTEE, AFTER WHICH IBM OFFICIALS WERE TOLD THAT USSR WAS PREPARED TO PURCHASE TWO 370/48 COMPUTER SYSTEMS ON CONDITION THAT IBM GUARANTEE THAT AN EXPORT LICENSE WOULD BE FORTHCOMING. MERRILL SAID IBM GROUP HAD FIRST MET WITH SOVIET DEPUTY MINISTER OF FOREIGN TRADE KOMAROV, WHO HAD INSISTED ON A GUARANTEE OF THE LICENSE. FOLLOWING THIS SESSION, THE IBM

REPRESENTATIVES CALLED ON IGNATY T. NOVIKOV, CHAIRMAN OF THE SOVIET OLYMPIC COMMITTEE AND CHAIRMAN OF THE STATE COMMITTEE FOR CONSTRUCTION (GOSSTROY). TO THE SURPRISE OF THE COMPANY OFFICIALS, NOVIKOV HAD WITH HIM KONSTANTIN N. RUDNEV, MINISTER FOR INSTRUMENT MAKING, AUTOMATED EQUIPMENT AND CONTROL SYSTEMS; RUDNEY'S DEPUTY, GENNADIY KAVALEROV; VLADIMIR A. KIRILLIN, SOVIET DEPUTY PREMIER AND CHAIRMAN OF THE STATE COMMITTEE ON SCIENCE AND TECHNOLOGY; YURIY KISLENKO, CHAIRMAN OF ELEKTRONORGTEKHNIKA AND ANOTHER OLYMPIC COMMITTEE OFFICIAL. THE IBM REPRESENTATIVES WERE TOLD THAT, UNLESS THEY COULD PRODUCE A FIRM ADVANCE GURANTEE THAT THE EXPORT LICENSE WOULD BE GRANTED, THE SOVIET ORDER WOULD GO ELSEWHERE.

3. SUBSEQUENTLY THE IBM OFFICIALS WERE CONTACTED BY KISLENKO, WHO STATED THAT IMMEDIATELY AFTER THIS MEETING, FRENCH DEPUTY MINISTER OF INDUSTRY DE L'ETOILE HAD BEEN RECEIVED BY THE SAME GROUP OF SOVIET OFFICIALS AND HAD GUARANTEED THAT AN EXPORT LICENSE FOR SALE OF A HONEYWELL-BULL COMPUTER WOULD BE AUTHORIZED. KISLENKO STATED THAT THE AD HOC COMMITTEE HAD DECIDED, HOWEVER, TO PURCHASE THE IBM SYSTEMS IF THE EXPORT LICENSE COULD BE GUARANTEED, DESPITE A PREFERENCE BY THE MINISTRY OF INSTRUMENT MAKING FOR A SIEMENS COMPUTER.

4. KISLENKO ASKED THAT IBM PROCURE A LETTER SIMILAR TO THAT SENT BY BEWT/OEA DIRECTOR MEYER TO IBM LAST SEPTEMBER, EMPHASIZING THAT A NEW LETTER WAS NECESSARY IN VIEW OF CHANGE OF U.S. ADMINISTRATION IN WASHINGTON. MERRILL SAID THAT QUESTION OF APPROACH TO USG WAS BEING DISCUSSED BY IBM TRADE DEVELOPMENT S.A. PRESIDENT BRADLEY LESHER (PARIS) WITH RETIRED BUT STILL INFLUENTIAL IBM LIMITED OFFICIAL USE

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CHAIRMAN GILL JONES.

5. MERRILL GAVE TOTAL VALUE OF POTENTIAL CONTRACT AT \$15.9 MILLION MORE THAN TWICE AS HIGH AS FIGURE REPORTED FOR SINGLE COMPUTER LAST DECEMBER (REFTEL). HE SAID IT HAS BEEN DETERMINED THAT THE END-USER OF BOTH COMPUTERS, AFTER 1980 OLYMPIC GAMES, WILL BE THE MOSCOW CITY COUNCIL. THE THOUGHT THIS WOULD MAKE EXPORT APPROVAL EASIER TO ACHIEVE.

6. ACCORDING TO MERRILL, THE IBM PROPOSAL DATE EXPIRED MARCH 1, BUT WAS EXTENDED TO APRIL 1. IBM HAS NOT YET APPLIED FOR A LICENSE FOR THESE COMPUTERS BECAUSE IT DID NOT RECEIVE A SOVIET LETTER OF INTENT.
TOON

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Message Attributes

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Sent Date: 29-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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